

OD Implementation Review Report

26th July, 2016

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1. Background

The OD Exercise is one of the major reform initiatives of the Royal Civil Service Commission. The OD Exercise is undertaken as per the requirement of Civil Service Act 2010 and also in line with the Cabinet Order issued via letter No. C-3/11/216 dated 27th December, 2013. Periodic OD Exercise is necessary to ensure that the Government is organized optimally and that agencies mandates are aligned to support the achievement of national development objectives and that the human resources are optimally utilised.

The OD Exercise is carried out with the key objectives to review the mandate of the agencies, ensure alignment of goals, improve public service delivery and rationalize human resources. A number of tested approaches and instruments were used during OD Exercise to analyze the issues and arrive at the recommendations. Further, the recommendations were reviewed based on the Agencification Principles and Framework which were approved by the Cabinet in principle. The OD recommendations pertaining to creation, abolishment, upgradation or alteration of organizational structures (departmental level and above) in Ministries and autonomous agencies, including nomenclatures were presented to the Cabinet, as per section 29 of the CSAB 2010. Accordingly, the RCSC received Cabinet directives for OD recommendations presented and the implementation of OD recommendations is underway in all OD completed agencies except for those in recently completed Dzongkhags. For the whole of the government system, the OD Exercise has achieved the following outcomes:

1. Aligned organizational goals with national goals;
2. Defined the mandates of the organizations;
3. Aligned HRD needs to with the organizational goals; and
4. Rationalized the existing Agencies using Agencification Framework.

The OD Exercise also addressed the issues such as:

1. Unclear segregation of policy formulation, regulatory,
2. and execution functions
3. Overlapping mandates
4. Conflict of interest
5. Core (line) and support (staff) functions
6. Standardized nomenclatures
7. Parenting issue
8. No standard for name of the agency & executive positions
9. Optimum utilization of resources

Besides the above outcome, the Agencification Principles and Framework, Accreditation Framework and Guidelines, Parenting Guideline and Common Framework for the Local Government are also some of the results of OD Exercise.

2. Chronology of events:

The following is the chronology of the events of OD Exercise:

27, December, 2013	Received Government directives vide letter No. C-3/11/216 to conduct OD Exercise in the civil service;
August, 2014	Organizational Development (OD) Exercise carried out as per Cabinet Directive and the requirements of the Civil Service Act of Bhutan 2010. The OD Exercise was spearheaded by RCSC involving civil servants from across the agencies;
14 May, 2015	Received approval from Cabinet, in principle, for the Agencification Framework;
17, 21 and 28, July, 2015	RCSC presented to the Cabinet on key issues of Agencies emanating from the OD Exercise (with focus on structural matters) along with other recommendations and implications (if any), and sought approval of the Government to facilitate implementation;
16 December, 2015	RCSC presented the five reforms including the OD to the Hon. Members of the Parliament. In attendance were 30 MPs from both NA and NC;
25 December, 2015	RCSC received 1st set of directives on OD recommendations from the Cabinet;
18 February, 2016	RCSC received 2nd set of directives on OD recommendations from the Cabinet;
11 January, 2016	RCSC sought clarification on approvals accorded by Cabinet; and
4 April, 2016	Received directives from Cabinet on the clarifications sought

3. Conduct of OD Exercise:

The following table shows the summary of the OD Exercise that has been completed/undergoing in different Ministries/Agencies/Dzongkhags:

Sl. No	Agency	Agencies in which OD is completed	Agencies in which OD is undergoing	Total
1	Ministry	10	0	10
2	Dzongkhag	19	1	20
3	Thromde	4	0	4
4	Autonomous Agencies*	13	3	16
	Total	46	4	50

**including constitutional offices*

As of 26 July, 2016, the OD Exercise has been successfully completed in 39 Agencies which includes 10 Ministries; 9 Agencies; 3 Thromdes; and 18 Dzongkhags (Annexure I). The implementation of OD recommendations is underway in all OD completed agencies. All structural changes as per the OD recommendations that are approved by the Cabinet are in the implementation phase except for those recommendations which the Cabinet has directed to be implemented in the 12th FYP

Internal Assessment and restructuring exercise is also being conducted for the following autonomous Agencies in consultation with the RCSC:

1. National Statistical Bureau;
2. Royal Institute of Management; and
3. Bhutan Food Regulatory Authority of Bhutan.

4. OD Recommendations:

4.1 Categorization of OD recommendations

The OD recommendations are grouped into three categories as follows:

C1 recommendations - relating to internal systems, processes and configuration of the Agency that can be implemented immediately by the respective managements;

C2 recommendations - relating to procedures and systems that are cross cutting in nature and therefore require bilateral and multi-sector consultations; and

C3 recommendations - relating to changes in structure such as bifurcation or merging of departments and transfer of mandates, etc., which require quite extensive ground work and the approval of the Government before they can be implemented.

4.2 Summary of the OD recommendations and implementation progress

As of July 26, 2016, a total of 826 OD recommendations under different categories have been submitted to 10 Ministries, 4 Agencies, 3 Dzongkhags and 1 Thromde for implementation as follows:

Table 1: Summary of the OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	515	275	36	826
% of recommendations	62%	33%	5%	100%

Against the above, the implementation status is summarized in the following table:

Table 2: Summary of OD Implementation

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	307	60%	127	46%	18	50%	452	55%
On-going	141	27%	110	40%	18	50%	269	33%
Pending	67	13%	38	14%	0	0%	105	13%
Grand Total	515	100%	275	1	36	100%	826	100%

5. Agency wise Implementation Status (Details)

5.1 Ministries

5.1.1 Ministry of Agriculture and Forests

a) Summary of OD recommendations

Category of recommendations	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	67	33	2	102
% of recommendations	66%	32%	2%	100%

From the OD of MoAF, there were a total of 116 recommendations. However, 7 of these were related to the C3 recommendation that were regarding delinking of DAMC, BAFRA, NBC, creation of a Directorate in DoFPS and mainstreaming the training programs offered by RDTC into the course of TTI's under MoLHR and dissolving RDTC from MoAF, and transferring the mandates along with human resources of farm roads design and monitoring mandate to be handed over to the Department of Roads under MoWHS. All except dissolution of DAMC were dropped from the final recommendation sent to

MoAF. The recommendation to dissolve DAMC was sent to MoAF prior to sending it for approval to the Cabinet so that MoAF could prepare the redeployment of people.

b) Status of Implementation

Status of implementation	Category of recommendations						Grand	
	C1		C2		C3		Total	
Implemented	42	41%	16	16%	1	1%	59	58%
On-going	16	16%	5	5%	0	0%	19	19%
Pending	7	7%	13	13%	0	0%	21	21%
Grand Total	65	64%	34	33%	1	1%	100	98%

The structural changes (division level and below) implemented in MoAF are as follows:

1. Creation of Research and Extension Division under Department of Agriculture and Department of Livestock after the dissolution of CoRRB;
2. Merger of Agriculture and Horticulture Division to form to Agriculture Production Division under DoA;
3. Merger of the Nature Recreation and Ecotourism Division (NRED) and Wildlife Conservation Division (WCD) under DoFPS to form the Nature Conservation Division (NCD);
4. Integration of forestry research staff and forestry research responsibilities of RDC Yusipang to be integrated with UWICE and changing the nomenclature to Ugyen Wangchuck Institute of Conservation and Environment Research (UWICER);
5. Merger of the Dzongkhag Forestry Sector with the Territorial Division under DoFPS;
6. Dissolution of RNR-RDC Jakar as a Livestock Research Center and creation of it as a commodity centre with the new nomenclature Highland Research and Development Center (HRDC);
7. Reclassification of The National Feed and Fodder Program as a commodity center with the new nomenclature of Animal Nutrition Research and Development Centre (ANRDC); and
8. Renaming of the ICS as Information and Communications Division under the Secretariat;

c) Not Implemented

Two recommendations were dropped.

1. The dissolution of DAMC as the Cabinet did not approve this dissolution;

2. The other was under DoFPS which was to change the nomenclature of territorial forest division chiefs should be renamed as Divisional Forest Officers (DFO), and park and wildlife sanctuary chiefs as Park Managers (PM), as they used to be in the earlier times before the PCS system;
3. Since this contradicts with existing PD and was also not covered in super structure, the position titles remained unchanged as CFO.

5.1.2 Ministry of Education

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	49	14	1	64
% of recommendations	77%	22%	2%	100%

The OD Exercise has made 64 recommendations in total of which 77% of the recommendations are pertaining to re-engineering of internal system and process while 22% percent are related structural changes such bifurcation and merger of divisions and transfers of mandates. From the overall OD recommendations, the only C3 recommendation was to merge Quality Assurance and Accreditation Division and Department of Occupational Standard to form Bhutan Qualification Authority.

b) Status of Implementation

Status of implementation	Category of recommendations						Grand Total	
	C1	C2	C3					
Implemented	40	82%	10	71%	-	-	50	78%
On-going	8	16%	4	29%	1	100%	13	20%
Pending	1	2%	-	-	-	-	1	2%
Grand Total	49	100%	14	100%	1	100%	64	100%

As depicted in the table above, the overall implementation of OD recommendations clearly shows that 78% of the OD recommendations have been already implemented while still 20% of the OD recommendations are in implementation progress. Those OD recommendations in implementation is on-going are which requires approval from higher authorities such as National Education Policy and National Youth Action Plan is awaiting Cabinet approval. It also includes reviewing of Guidelines & Manuals which requires multiple stakeholder consultations and development of web-based Automated School PMS. It further includes OD recommendations pertaining to staffing issues like recruitment and redeployment and drafting of FAQs and SOPs to improve service delivery.

With regard to the structural changes, the RCSC has approved the following:

1. Comprehensive School Health Division under Department of Youth and Sports is merged with School Agriculture, Feeding and Environment Division (SAFED) under Department of School Education and renamed as “School Nutrition and Health Division” (SNHD) under DSE;
2. Teacher Professional and Support Division is established as a new division under Department of School Education;
3. Information and Communication Division (ICD) is merged with new ICT Division under Directorate of Services;
4. Education Monitoring Support Services Division under Department of School Education is renamed as “Education Monitoring Division” (EMD).
5. School Liaison and Coordination Division under Department of School Education is renamed as “School Planning and Coordination Division” (SPCD).
6. With Cabinet approval to create Directorate of Services (DoS) in the Ministries, the RCSC has approved the following Divisions/Services under the DoS, MoE:
 - Administration and Finance Division;
 - Human Resource Division;
 - School Planning and Building Division;
 - ICT Division; and
 - Legal Services.

c) Pending Issues

1. From the overall OD recommendations, the MoE has not been able to implement only one recommendation pertaining to negotiation with the DDC to pool the land together for construction of Secretariat building and share office. However, the issue is still under dialogue and it was also one of issue transpired during the mid-term review.
2. Although structure has been finalized as per OD recommendations after necessary approval sought from RCSC and relevant authority. However, changes have not been updated in the CSIS. The OD Focal Officer from the RCSC and Agency in consultation with MISD will make necessary changes in the system.

5.1.3 Ministry of Economic Affairs

a) Summary of OD recommendations

Category of recommendations	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	27	11	7	45
% of recommendations	59%	26%	15%	100%

For MoEA, a total of 45 OD recommendations have been submitted for implementation. Out of these recommendations, 27 (59%) recommendations were related to internal issues such as the alignment of the Department/Division mandates with the Ministry's Vision & Mission statement, line of reporting, accountability and likewise, internal processes. 11 (26%) of the recommendations were related to staffing, redeployment issues and competency gaps. 15% of the overall recommendations were related to structural changes.

b) Status of Implementation

Status of Implementation	Category of recommendations						Grand total	
	C1		C2		C3			
Implemented	11	41%	6	50%	0		17	38%
On-going	5	19%	3	25%	7	100%	15	33%
Pending	11	41%	2	17%	0		13	29%
Grand Total	27		11		7		45	

As shown in the table above, the percentage of OD recommendations implemented by MoEA currently stands at 38%. 33% of the OD recommendations which are currently in the process of being implemented by the Ministry includes OD recommendations related to redeployment, coordination issues with other Ministries/Agencies and structural changes. The OD recommendations for which are Ministry is not able to take any actions is mostly issues related to competency gaps and excess staff redeployment. However, these issues will be implemented soon since the RCSC has allocated Nu. 5 m to MoEA through the GoI- PTA fund to meet the competency issues identified by the ODE. Issues related to redeployment will be taken up by RCSC once the staffing exercise is completed.

In regard to structural changes, the RCSC has currently approved the following:

1. Approved the creation of a Directorate of Services for MoEA to free up the Secretary to focus on providing strategic direction to the Ministry;
2. Approved to submit the upgradation of Intellectual Property Division to a Department level to Cabinet for approval; and

- Moving out Department of Hydromet Services (DHMS) from MoEA as National HydroMet center.

In addition to the above, the following structural changes are ongoing:

- Revamping the Department of Geology and Mines (DGM) to reduce conflict of interest by separating policy making and regulatory functions; and
- Merger of Glaciology division, DGM and Snow & Glacier division, Department of Hydromet Services (DHMS) and place it under DHMS given their duplicating roles; and

c) Not implemented

From the 27 Category 1 Recommendations submitted for implementation, the recommendation relating to the redesignation of Admin Assistants working under IPD to a relevant designation had to be dropped since this is not in alignment of the position directory. Moreover, the change in the nomenclature is also not desirable from the perspective of career progression and transfer.

5.1.4 Ministry of Finance

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	46	22	2	70
% of recommendations	66%	31%	3%	100%

From the total of 70 OD recommendations, 66% of the recommendations pertain to the internal process and systems improvements while 33% of the C2 recommendations include staffing issues, structural changes at division level and which requires bilateral consultations. While 3% of the C3 recommendations are establishment of Department of Macro-economic Affairs and delinking of Duty Free Shop.

b) OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	20	43%	3	14%	1	50%	24	34%
On-going	25	55%	17	77%	1	50%	43	62%
Pending	1	2%	2	9%	-	-	3	4%
Grand Total	46	100%	22	100%	2	100%	70	100%

As depicted in the table above, the overall implementation of OD recommendations clearly shows that 34% of the OD recommendations have been already implemented while still 62% of the OD recommendations are in implementation progress. Those OD recommendations in implementation progress are recommendations pertaining to review of rules and regulations, guidelines & manuals, transfer of mandates which requires inter-agency bilateral consultations, and development of web based systems. It also includes recommendations pertaining staffing issues like recruitment and redeployment. The establishment of the new Department of Macro-economic Affairs is final stage of implementation.

c) Recommendations not implemented

As per the report submitted, of the total OD recommendations, the Ministry hasn't agreed to 4% of the recommendation as they are either not clear or are too general to be implemented. Further, some recommendations are not within the power of the agencies as requires the approval of the government.

With regard to structural changes, the RCSC has approved the following:

1. Merged Public Procurement and Policy Division (PPPD) with the Government Procurement and Property Management Division to form a new "Government Procurement & Property Management Division" (GPPMD) under Department of National Properties;
2. Renamed Divisions under Department of National Budget as follows:
 - Local Government Sector Division;
 - Social and Cultural Sector Division;
 - Economic and Communication Sector Division; and
 - Autonomous and Constitutional Sector Division.
3. Accounting and Auditing Standard Board of Bhutan (AASBB) is moved out from Department of Public Accounts (DPA) and placed under Secretary;
4. With Cabinet approval to create Directorate of Services (DoS) in the Ministries, the RCSC has approved the following Divisions/Services under the DoS, MoE:
 - Administration and Finance Division;
 - Human Resource Division;
 - ICT Division; and
 - Legal Division.

d) Pending Task

Going forward, in addition to the rolling out of the OD recommendation for the agencies where OD has been completed recently, the pending structural changes will be incorporated in CSIS as and when the structural changes are endorsed by the Commission.

5.1.5 Ministry of Foreign Affairs

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	60	54	0	114
% of recommendations	53%	47%	0%	100%

In total there are 114 OD recommendations of which 53% of the recommendations related to internal process and system re-engineering. While there are 47% of C2 recommendations including structural changes at division level and below.

b) OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	15	25%	14	26%	0	0	29	25%
Ongoing	45	75%	39	72%	0	0	84	74%
Pending	0	0	1	2%	0	0	1	1%
Grand Total	60	100%	54	100%	0	0	114	100%

From the overall implementation of OD recommendations, it clearly shows that only 25% of the OD recommendations have been already implemented. The implementation progress in the ministry is quite low since the recommendations has been rolled out very recently. However, 74% of the OD recommendations are in implementation progress. The OD recommendations in implementation progress are which require revision of manual and guidelines, transfer rules and regulation, succession planning, preparation of FAQs, SOP and TAT, development of strategy papers and amongst other which require approval from higher authorities such as cabinet which take quite substantial amount of time.

With regard to structural changes, the RCSC has approved the following structural changes:

1. Renaming and creation of additional Divisions under Department of Multilateral Affairs as follows:
 - Political and International Security Division;
 - Social and Humanitarian Division; and
 - Economic and Development Division.

2. Renaming and creation of additional Divisions under Department of Bilateral Affairs as follows:
 - South0Asia Division;
 - Asia Pacific Division; and
 - Europe, America and Africa Division.

3. Merging of BIMSTEC and ACD and Other Division under Department of SAARC and Regional Organisation and renamed it as “Regional Organisation Division”
 - Created Passport Division under Department of Protocol
 - Created separate Legal Services under Secretary
 - Renamed Policy and Planning Division into Policy and Planning Services

4. With Cabinet approval to create Directorate of Services (DoS) in the Ministries, the RCSC has approved the following Divisions/Services under the DoS, MoFA:
 - Administration and Finance Division;
 - HR Services; and
 - ICT Services.

In addition to above, the creation of Public Diplomacy Division (PDD) was recommended by OD Exercise. However, the Ministry wanted upgraded it to a status of Department. Therefore, the implementation of PDD is still in deliberation between MoFA and RCSC.

c) Recommendations not implemented

From the overall OD recommendations, the MoFA has not implemented recommendation pertaining to:

- Institution of weekly or monthly internal meeting (C1) was felt not necessary by the management; and
- Public Diplomacy Division (C2) since the Ministry proposes to be upgraded into Department.

5.1.6 Ministry of Health

a) Summary of OD Recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendation	15	2	3	20
Percentage	75%	10%	15%	100%

A total of 20 recommendations have been sent out to MoH for implementation which constitutes of 15 C1 recommendations and five recommendations pertaining to structural changes (C2 and C3). Majority of recommendations for MoH are of category one which pertains to strengthening of current systems, familiarization of staffs on the Ministry’s VMOs and drawing clarity on the division of roles.

b) Status of Implementation

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	15	100%	1	50%	1	33%	17	85%
Ongoing	0	0%	1	50%	2	67%	3	15%
Pending	0	0%	0	0%	0	0%	0	0%
Grand Total	15	100%	2	100%	3	100%	20	100%

Of the total recommendations, 85% has already been implemented while 15% is still in the implementation phase. All the C1 recommendations have been implemented while some of recommendations pertaining to structural changes are still in the implementation phase.

There are two recommendations pertaining to structural changes (division and below) of which one has been implemented, while the other is still being worked upon the details of which are as follows:

1. The Diabetes program under Department of Medical Science has been merged with the LifeOstyle Related Disease Program under Department of Public Health to achieve more efficiency, clarify accountability and avoid duplication.
2. MoH and RCSC is still working on the up0gradation of Emergency Medical Services section into a Division The major issue that has held up the implementation is the proposed staffing by EMSS. There is a growth of 188% of staff strength from the existing number of staff. The staffing is currently being vetted by the RCSC staffing team. Once the staffing has been vetted and approved by the Commission, EMSS will be upgraded to Division.

With reference to the major structural changes (C3), the major changes include de0linking of Bhutan Health Trust Fund from the Ministry as an autonomous agency and de0linking of Bhutan Medical Health Council. Bhutan Health trust Fund has been successfully de0linked from the Ministry while RCSC and MOH are working closely on the de0linking of Bhutan Medical health council. Other C3 recommendation includes corporatization of the Menjong Sorig Pharmaceuticals. The MoH is currently working with Ministry of Finance on this recommendation.

5.1.7 Ministry of Home and Cultural Affairs

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	44	54	1	99
% of recommendations	44%	55%	1%	100%

From the OD of MoHCA, there were a total of 106 recommendations. However, 6 of these were related to the C3 recommendation that were regarding delinking of DoC as an autonomous Commission and DDM as an Authority. Thus all of these recommendations were dropped.

b) Status of Implementation

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	18	18%	21	21%	1	1%	40	40%
Ongoing	11	11%	27	27%	0	0%	38	38%
Pending	12	12%	4	4%	0	0%	16	16%
Grand Total	41	41%	52	53%	0	1%	94	95%

As depicted in the table above, more than 78% of the OD recommendations have been implemented or are Ongoing. 5 recommendations had to be dropped as they were no longer relevant.

The structural changes (division level and below) implemented in MoHCA are as follows:

1. Renaming of Divisions under DDM as follows
 - Preparedness and Mitigation Division to Risk Prevention and Reduction Division
 - Response and Early Warning Division to Preparedness and Response Division
 - Relief and Reconstruction Division to Rehabilitation and Reconstruction Division

2. The Research Division of the DLG has been downgraded to a Section

c) Not Implemented

Five recommendations were dropped as these were no longer relevant and some could not be implemented such as merger of Divisions under DDM.

Three C1 recommendations (given below) were dropped as it was not possible to implement these recommendations;

1. Continue the existing system of deployment but increase the periodicity to six months. Long term: Identify and invest in building phase wise permanent infrastructure at the check post and outpost.

Justification: In view of the chances of collusion and corruption and also by the fact that most checkpoint/outpost are located away from most of the basic services required for a family, DoI will not be in a position to make the placement at the checkpoints permanent;

2. Although 24 security/night guards were proposed, however, installation of CCTV is recommended.

Justification: DoI requires Security guards to not only guard the offices but for crowd control and other security related issues. In the recent incident in Phuntsholing RIO, 8 RBP officials had to come for managing crowd in the RIO office, which is not desired;

- The recruitment of Dzongkha and English Lecturer in RAPA was not recommended since it doesn't align with the core services of RAPA.

RAPA will not be recruiting but rather RIPA will be recruiting as part of institution building of RIPA.

5.1.8 Ministry of Information and Communication

d) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	8	16	8	32
% of recommendations	25%	50%	25%	100%

For MoIC, a total of 32 OD recommendations have been submitted for implementation. Out of these recommendations, 8 (25%) recommendations were related to internal issues such as developing SOP/TAT for all Divisions/Department and improving internal system. Likewise, 16 (50%) of the recommendations were related to staffing, redeployment issues and competency gaps. 25 % (8) of the overall recommendations were related to structural changes.

c) Status of implementation

Status of Implementation	Category of recommendations						Grand total	
	C1		C2		C3			
Implemented	5	71%	13	81%	5	62%	23	74%
Ongoing	1	14%	3	19%	3	38%	7	23%
Pending	1	14%	0	0%	0	0%	1	3%
Grand Total	7	100%	16	100%	8	100%	31	100%

As depicted in the table above, it clearly shows that 74% of the OD recommendations have been already implemented while 23% of the OD recommendations are in implementation progress. Those OD recommendations in implementation stages are the recommendations pertaining to staffing issues like recruitment and redeployment. It also includes recommendations pertaining structure

The following structural changes were implemented in MoIC:

- Bifurcated the Department of Civil Aviation (DCA) into (i) Bhutan Civil Aviation Authority (BCAA) and (ii) Department of Airport Transport (DAT);
- Approved the creation of ICT Management Division and Telecom Division;
- Dissolved the existing Research Division under DITT;
- Dissolved the Registration and Licensing Division under RSTA;

5. Placed Postal mandate under the Media Relations Division of the Department of Information & Media (DoIM) and renamed Media Relations Division as Media Relations & Postal Communication Division to absorb the postal mandate; and
6. Created a Fitness and Regulatory section in the Regional Office of the RSTA to ensure separation and ultimately better enforcement of road safety regulations.

d) Not implemented (dropped)

One recommendation regarding the revamping Government Web Portal system was dropped as this was no longer relevant as all the Ministries and Agencies have their own web site and the Government web portal was found to be just duplication.

5.1.9 Ministry of Labor and Human Resource

a) Summary of Recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	5	0	1	6
% of recommendations	83%	0%	17%	100%

For MoLHR, a total of only six recommendations have been sent out for implementation of which 83% (5) are category one recommendations while the remaining 17% (1) is of Category three. Initially, there were nine C3 recommendations which include transfer of some Department from MoEA. However, Cabinet has accorded approval for only one C3 recommendation.

b) OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1	C2	C3	C1	C2	C3		
Implemented	3	60%	0	0	0	0%	4	67%
Ongoing	1	20%	0	0	1	100%	2	33%
Pending	1	20%	0	0	0	0%	0	0%
Grand Total	5	100%	0	0	1	100%	6	100%

MoLHR has currently implemented 80% (4) of the C1 recommendations. Only one recommendation has not been implemented which pertains to the reviewing of the current education system in Bhutan holistically, taking into account the roles of all education providers so that the youth entering job market will be equipped with the necessary skills as demanded in the job market. The other recommendation pertains to the study of role of regional office which is currently being reviewed.

There were no C2 recommendations for MoLHR. Pertaining to C3 recommendation, there was only one C3 recommendation i.e. creation of Department of Technical Education (DTE) which is still under review. While the Ministry had already presented the proposal on the operational plan for DTE to the Commission, the issue was raised on Department of Human Resource (DHR) being left with only one division since three divisions from DHR will have to move under DTE. Initially, one of the recommendations that were submitted to the Cabinet by RCSC included the creation of DTE and merging of Department of Employment (DoE) with Department of Human Resource, among others. However, Cabinet has only approved the creation of DTE. As per the Directives of the Commission, MoLHR will be discussing the issue within their Ministry and will be putting up the issue back to Cabinet if necessary, for further clarity and directives on the merger of DHR and DoE.

5.1.10 Ministry of Works and Human Settlement

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	26	17	6	49
% of recommendations	53%	35%	12%	100%

For MoWHS, a total of 49 OD recommendations have been submitted for implementation. Out of these recommendations, 26 (53%) recommendations were related to internal issues such as the alignment of the Department/Division mandates with the Ministry's Vision & Mission statement, development of SOP/TAT for the Departments and Divisions, internal systems, line of reporting, accountability and etc. Likewise, 17 (35%) of the recommendations were related to staffing, redeployment issues and competency gaps. 15% (6) of the overall recommendations were related to structural changes.

b) Status of implementation

Status of Implementation	Category of recommendations						Grand total	
	C1		C2		C3			
Implemented	24	92%	9	53%	5	83%	38	78%
Ongoing	1	4%	0	0%	1	17%	2	4%
Pending	1	4%	8	47%	0	0%	9	18%
Grand Total	26	100%	17	100%	6	100%	49	100%

The implementations of OD recommendations for MoWHS are progressing very well. The percentage of OD recommendations implemented for MoWHS currently stands at 78%. The most unimplemented recommendations are the recommendation under category two (staffing, redeployment, competency gaps) which needs the intervention of the RCSC. Therefore, once the staffing exercise in RCSC is

complete, the re0deployment issues related to staff excess/shortages will be taken care. Moreover, the competency issues that are identified by the ODE will be prioritized for implementation through the GoIO PTA fund where Nu.11 m has been allocated for MoWHS for meeting these competency gaps., The structural changes implemented in MoWHS are as follows:

1. Delinked Construction Development Board from MoWHS w.e.f May 2016. This is done mainly to avoid the conflict of interest of having a regulatory body within the Ministry’s structure. Therefore, with this structural change, the CDB will be able to regulate and promote all construction industries independently;
2. A Bridge Division was created under the Department of Road. This shall help the Ministry to allow better sharing of expertise and human resources, avoid structural duplication and save time and resources by bringing all issues related to bridges under one umbrella;
3. To avoid duplication of works and also to improve coordination and to on leverage similar technical competencies, the Rural Infrastructure and Service Division (RISD) from Department of Engineering Services (DES) is now moved to the (DoR); and
4. A Directorate of services has been approved for effective delivery of administration, HR, Finance, Administration, ICT, Legal and Procurement for the routine part of the work. This would help the Secretary to focus on strategic matters and it will also allow technical persons to focus on their core work without being distracted by the administrative works.

5.2 Agencies

5.2.1 Jigme Dorji Wangchuck National Referral Hospital

a) Summary of OD Recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	47	7	1	55
% of recommendations	85%	13%	2%	100%

Out of the 55 recommendations which were sent out for implementation, majority of the recommendations (85%) pertains to the improvement of systems for efficient and effective service delivery, while 13% of the ODRs on the structural changes.

b. OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	19	41%	7	100%	0	0%	26	47%
Ongoing	3	6%	0	0%	1	100%	4	7%
Pending	25	53%	0	0%	0	0%	25	45%
Grand Total	47	100%	7	100%	1	100%	55	100%

JDWNRH has implemented 41% of the C1 recommendations which includes reducing waiting time for patients and increasing the number of OTs among other, while 59% are either in progress or pending. The details of the structural changes (division and below: C2) which have been implemented are as follows:

1. Upgraded Procurement and Stores Unit to Procurement Division;
2. Upgraded HR Unit to HR Division;
3. Upgraded Maintenance Unit to Infrastructure Division;
4. Upgraded ICT Unit to ICT Division;
5. Created Planning and Monitoring Unit under the President;
6. Created Quality Assurance and Standard Division; and
7. Created Internal Audit Unit.

Issue: Although Planning and Monitoring Unit has been created, it is currently nonfunctional due to shortage of Human resource.

The C3 recommendation which is to institute the service delivery model for JDWNRH is still under progress since there is a need for more clarity on the concept. Overall, JDWNRH has successfully implemented 47% of the total recommendations rolled out while 52% are either Ongoing or is pending.

5.2.2 National Environment Commission

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	33	12	0	45
% of recommendations	73%	27%	0%	100%

From the OD of NEC, there were a total of 61 recommendations. However, 16 of these were related to the C3 recommendation that were regarding the NEC bifurcating into a Commission and a Regulatory Authority and creation of Regional Environment Offices. Thus all of these recommendations were dropped.

b) Status of Implementation

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	16	36%	5	11%	0	0%	21	47%
Ongoing	16	36%	5	11%	0	0%	21	47%
Pending	1	2%	2	4%	0	0%	3	7%
Grand Total	33	73%	12	27%	0	0%	45	100%

As depicted in the table above, more than 80% of the OD recommendations have been implemented or are ongoing.

The structural changes (division level and below) implemented in NEC are as follows:

1. Creation of Biodiversity and Land Use Division;
2. Creation of Wastes Management Division;
3. Merger of the Environment Services (ESD) and Compliance Monitoring (CMD) and renamed as Environment Assessment and Enforcement Division; and
4. Renaming of Climate Change Division to Air and Climate Change

c) Not Implemented

The pending OD recommendation from NEC are issues related to parenting all Environment Offices in the Agencies and not only Dzongkhags and mainstreaming environmental concerns by working with the competent authorities to ensure that all relevant environment terms & conditions are inbuilt in the development consent issued by the Competent Authorities for activities not requiring EC.

5.2.3 National Land Commission Secretariat

a) Summary of OD Recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	16	6	1	23
% of recommendations	70%	26%	4%	100%

A total of 23 recommendations were rolled out for NLCS, of which 70% (16) comprises of C1 recommendation, 26% (6) of C2 recommendation and only 4% (1) of C3 recommendation.

b. OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Implemented	14	88%	4	67%	1	100%	19	83%

Ongoing	1	6%	0	0%	0	0%	1	4%
Pending	1	6%	2	33%	0	0%	3	13%
Grand Total	16	100%	6	100%	1	100%	23	100%

NLCS has implemented 88% of the total C1 recommendations while 6% is still in progress and 6% is still pending. Out of the six C2 recommendations that were sent out for implementation, 67% have been implemented but 33% is yet to be implemented. The recommendations which have not been implemented pertain to the merging of National Rehabilitation Program Office with Policy and Planning Division and renaming of Administration and Finance Division into Finance Division. NLCS and RCSC are currently working on it since the agency has requested RCSC to relook on the recommendation.

The structural changes (division and below) that has been implemented are as follows:

1. Upgraded Legal Services to Legal Division;
2. Upgraded Policy and Planning Services to Policy and Planning Division;
3. Upgraded HR Services to HR Division; and
4. Repositioned ICT Section which was previously under the Cadastral Information Division under the Secretariat.

With regard to C3 recommendation, the two Departments have been formalized i.e. Department of Land Administration and Management and Department of Survey and Mapping.

Overall, 83% of the recommendations that have been sent for implementation by RCSC have been implemented. However 17% is currently in progress or pending.

5.2.4 Tourism Council of Bhutan

a) Summary of OD recommendations

Number/Percentage	Category of recommendations (%)			Grand Total
	C1	C2	C3	
No. of recommendations	19	16	4	39
% of recommendations	49%	41%	10%	100%

There 39 OD recommendations in total of which 10% of the recommendations pertaining to the structural changes. The recommendation pertaining to the management of Training Hotel is also grouped under C3 recommendations.

b) OD Implementation Status

Status of implementation	Category of recommendations						Grand Total	
	C1		C2		C3			
Completed	11	58%	11	69%	3	75%	25	64%
Ongoing	8	42%	5	31%	1	25%	14	36%

Not implemented	0	0	0	0	0	0	0	0
Grand Total	19	100%	16	100%	4	100%	39	100%

As depicted in the table above, the overall implementation of OD recommendations, it clearly shows that 64% of the OD recommendations have been already implemented while still 36% of the OD recommendations are in implementation progress. The OD recommendations in implementation progress (Ongoing) are those recommendations which requires gestation period such development of Tourism Satellite Account, online permit system for regional tourist, revision of Tourism Policy which is awaiting the Cabinet approval. It also includes those recommendations pertaining to staffing issues like recruitment of additional staffs.

The structural changes (division level and below) implemented in TCB as follows:

1. The Created Quality Assurance Division
2. Plans and Programme Division is renamed as “Infrastructure and Product Development Division”
3. Created Planning and Research Services under Director;
4. Secretariat Services includes:
5. Administration and Finance Services;
6. HR Services;
7. ICT Services and;
8. Legal Services.

6. Structural Changes (Cabinet reference)

Sl. No.	OD Recommendations submitted to Cabinet	Cabinet Directives	Category	Implementation Status
1	Establish National HydroMet Center (alongside snow & glacier division assuming the mandate of the Glaciology Division, DGM) MoEA	Approved	Approved for implementation	Ongoing
2	Creation of Department of Technical Education MoLHR	Approved	Approved for implementation	
3	ICTM & Telecom Division to be established under DITT MoIC	Reaffirmed	Approved for implementation	Done
4	MoIC as the agency responsible for development of postal in the country and in particularly	Approved	Approved for implementation	Done

	to place this mandate with DoIM MoIC			
5	Department of Land Administration and Management NLCS	Approved	Approved for implementation	
6	Department of Survey and Mapping NLCS	Approved	Approved for implementation	
7	Approval to delink the BHTF MoH	Approved	Approved for implementation	
8	Approval to separate the BMHC MoH	Approved	Approved for implementation	
9	Formal approval of the Organization Structure to work on staffing JDWNRH	Approved	Approved for implementation	
1	Approval on the Autonomous Model for Service Delivery Agencies JDWNRH	Approved	Approved for implementation	
11	Creation of Department of Macroeconomic Affairs (DMEA) MoF	Approved	Approved for implementation	Ongoing
12	Delinking of Duty Free Shop (DFS) from DRC MoF	Approved	Approved for implementation	Done
13	Rename Department of National			
14	CDB to be delinked from MoWHS as autonomous regulatory body MoWHS	Approved (study the need for a law)	Approved for implementation	Done
15	Creation of Directorate of Services in big Ministries	Approved across all Ministries	Approved for implementation	Done
16	Dissolution of Council for RNR Research of Bhutan and establishment of Research and Extension Divisions under DoA	Approved	Approved for implementation	

	and DoL			
17	Rename Bureau of Law and Order to Department of Law and Order MoHCA	Approved	Approved for implementation	
18	Directives on the 2 issues on mandates LG	Review/discuss with MoHCA	Approved for implementation	
19	Endorsement of common Strategies LG	Endorsed	Approved for implementation	
2	Merge DoI & DCSI MoEA	Not approved	Not Approved	Not approved
21	Creation of National HRD Council MoLHR	Not Approved (Existing DHR to undertake the roles of proposed for National HRD Council)	Not Approved	
22	Creation of Department of Employment and Human Resources MoLHR	Not Approved	Not Approved	
23	Name change for Department of National Properties (DNP) MoF	Not Approved	Not Approved	
24	Merge regulatory functions of NEC and DoFPS and establish National Environment Authority NEC & MoAF	Not approved	Not Approved	
25	Dissolution of DAMC and creation of Marketing Divisions under DoA and DOL MoAF	Not approved	Not Approved	
26	Delinking of BAFRA from MoAF	Not approved	Not Approved	
27	Creation of National Biodiversity center as a National Center MoAF	Not approved	Not Approved	
28	Separate Department of Culture as National Commission for Cultural Affairs MoHCA	Not approved	Not Approved	

29	Rename Ministry of Home and Cultural Affairs to Ministry of Home Affairs	Not approved	Not Approved	
3	Approval of placement of Creative Arts mandate under Public Communication Division MoIC	RCSC to submit this recommendation to the Cabinet. It has not been submitted earlier	Further Review	
31	Directives on the PHED MoH	MoH to write separately to the RCSC	Further Review	
32	Approval to separate the PHL MoH	MoH to write separately to the RCSC	Further Review	
33	Approval to corporatize the MSP MoH	Approved (subject to admissibility under existing laws)	Further Review	
34	Approval of incentive for HoCDs JDWNRH	Revisit with MOF and review financial implications	Further Review	
35	Compensation for nurse offdays JDWNRH	Revisit with MOF and review financial implications	Further Review	
36	Transfer of Rural Water Supply and Sanitation mandate from MoH to MoWHS	MoWHS to submit a separate proposal for establishing a department	Further Review	
37	Change the composition of the Council MembersTCB	TCB to review and resubmit	Further Review	
38	Approval of SOP for Agencification Framework (General)	Cabinet Secretariat to form a Task Force and submit the legal implications	Further Review	
39	Formation of Bhutan Qualifications Authority (BQA) by delinking DOSMoLHR and QAADMoLHR	Approved in principle.	Approved when Act is revised	Ongoing

4	Renaming RSTA MoIC as Department of Surface Transport and placing it under MoWHS MoIC	Renaming approved. Placement of RSTA under MoWHS approved after amending RSTA Act	Approved when Act is revised	
41	Move the mining regulatory function out of the Ministry MoEA	Approved	Approved when Act is revised	
41	Restructure the Ministry (MoTIE & MoEM) and transfer of DoT, IPD, DoI, DCSI and OCP from MoEA to MoLHR MoEA	Approved for implementation in 12 th FYP (no directives on renaming)	Approved for 12th FYP	

7. Issues/Challenges

6.1 Status of civil servants under Duty Free Shop

When agencies are granted autonomy and moved out of Civil Service, there are no clearly stated rules and regulations or guidelines on whether civil servants should move out of the system or have option to remain back in the Civil Service. In absence of clearly stated rules and regulations or guidelines, the status of the civil servants working under delinked agencies remains unclear. For example: The Duty Free Shop has been delinked from Civil Service and created as SOE but the status of few civil servants working in Duty Free Shop is not clear yet. Therefore, in such cases, there is need to have clearly stated rules and regulation or guidelines.

6.2 Contradiction with existing Acts

The implementation of few recommendations that has been approved by the Cabinet are not in consonance with the existing act. For instance, Move the mining regulatory function out of MoEA is not in alignment with the Mines and Mineral Management Act, 1995. Like the renaming of the Road Transport and Safety Authority (RSTA) to Department of Surface transport cannot happen before amending the existing RSTA act.

6.3 Criteria to determine structures

One of the major problems faced while restructuring a Ministry/Department/Division was the absence of a definite criteria to qualify the establishment of a Division/Department. In the past, this has led to the creation of divisions with just one staff. Therefore, the requirement of a yardstick to qualify the requirement of Department or Divisions in Ministries/Department at the earliest possible is strongly felt.

8. Way forward

1. The structural changes in CSIS to be updated in consultation with the focal officers of the Ministries and Agencies;
2. Roll out recommendations for the remaining agencies in which OD has been completed recently and follow up on the OD implementation status every three months;
3. Send out the finalized staffing to Dzongkhags;
4. Work in close consultation with the Ministries where the implementation of structural changes which are approved by the Cabinet is still ongoing.

9. List of Annexure

Annexure I: List of Agencies in which OD has been completed

Ministries

1. Ministry of Agriculture and Forest
2. Ministry of Education
3. Ministry of Economic Affairs
4. Ministry of Finance
5. Ministry of Foreign Affairs
6. Ministry of Health
7. Ministry of Home and Cultural Affairs
8. Ministry of Information and Communication
9. Ministry of Labour and Human Resources
10. Ministry of Works and Human Settlement

Dzongkhags

1. Bumthang
2. Chhukha
3. Dagana
4. Haa
5. Lhuentse
6. Monggar
7. Paro
8. Punakha
9. Pemagatshel
10. SamdrupJongkhar
11. Sarpang
12. Thimphu
13. Trashigang
14. Trashiyangtse
15. Trongsa
16. Tsirang
17. Wangduephodrang
18. Zhemgang

Agencies

1. National Land Commission
2. Tourism Council of Bhutan
3. Jigme Dorji Wangchuk National Referral Hospital
4. National Environment Commission
5. Gross National Happiness Commission
6. Dzongkha Development Commission